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US, BRITAIN AND FRANCE PREPARE FOR RESUMPTION OF
MILITARY TALKS WITH YUGOSLAVIA ON 29 JUNE

The United States, Britain and France have virtually reached agreement on recommendations and terms of reference in preparation for resuming military talks with Yugoslavia on 29 June.

It will be explicitly stated at the outset of the talks that the military discussions will continue on a "contingent planning or assumptive" basis only, and that no commitments can be made. In the past, Tito has pressed for a widening of the terms of reference in military talks with the West. During the talks with General Handy last November, Yugoslavia sought explicit commitments contingent on a Soviet bloc attack, and reacted negatively when such commitments were not forthcoming.

Another major problem in the conduct of the talks involves Trieste and other Yugoslav-Italian problems. The French Foreign Office considers it preferable to avoid making any allusion to the political questions of Italo-Yugoslav relations, which would "trouble the waters." The United States, on the other hand, feels that the time has now come to permit practical aspects of this problem to emerge by pointing out to the Yugoslavs "that even assumptive planning.....can have no basic validity without some form of accommodation between the Yugoslavs and Italians." In the American view, the injection of the Yugoslav-Italian difficulties into the military talks should not convey any accusation of fault or threat of ultimatum to the Yugoslavs, but should impress upon them "that even with the best will in the world the three powers would be unable to render them the assistance they desire and require without Italian acquiescence."

In view of recent developments in Italy and recent Yugoslav pronouncements on Trieste, it is unlikely that real progress can be made toward a settlement of the Yugoslav-Italian differences at the present time. Although a settlement on Trieste and other outstanding issues would remove a major barrier to more effective Western military cooperation with Yugoslavia, it is doubtful whether Tito will be disposed to accept a compromise with Italy as long as there is the slightest possibility that the Western powers, eager for the conclusion of such a settlement, will be more receptive to Yugoslav claims.

There is no indication that Yugoslavia's negative attitude toward purely "assumptive" military planning has changed. Yugoslavia's efforts to impress the West with its continued sincerity and reliability despite the recent superficial improvements in Soviet-Yugoslav relations, may, however, be reflected by a more cooperative Yugoslav attitude in the forthcoming talks.